File No. ITB·31·54·3 5-7-54

MYSORE GOVERNMENT SECRETARIAT

Notes/Correspondence/Collection

Department Hqrs Section C&B

Subject:— Levy of interest on advances given to the CITBs of Mysore & Bangalore

Earlier References:—

Later References:—

P.23/E

(Classification ~~A~~/B/~~C~~)

Notes Pages..... 6

Correspondence Pages..... 17

For/Not for Section note Book

To be destroyed after.....

Under Secretary to Government

Mysore Government Secretariat

ESTIMATE File No. 7703 of 195 [App. F. III-2

WD 03547—GPB—40,000—14-8-53

Serial No.

25 JAN 1954 8910/B

1) During consideration of Budget Estimates it was agreed that the Trust Boards, Bangalore and Mysore should pay interest at 4 per cent on the amounts advanced by Government.. Action may be taken accordingly.

SECRETARY, L.S.G.)

Issue

2) The following is the extract of the orders of the Secretary in para 47 of the notes of the file bearing D. W. 7/32 (D.T.B. -4-53-14) re budget estimates of the B.T.B;—

"The chief Minister directs that interest at 4% may be charged on all advances given to the Trust Board just as is done for Industrial concern. Work up soon"

3) submitted—

D.T.B 83-53-2

The question has been considered in detail in the collection flash up, particularly in respect of the Bangalore Trust Board to which Govt have advanced in lakhs. Please see notes in paras

flg T.

NOTE—Contn. Sheet.

charging interest on advances granted to Trust Boards.

File No. 7703/ml 2 of 195

Mysore Government Secretariat

Serial No. 1

flg T

41 to 45 of the rules of the collection fortnightly. It is decided not to levy interest on the amounts outstanding. The Financial Branch may be requested to clarify in the first instance whether interest should be charged on the amounts already advanced & outstanding or whether it is only in respect of the amounts to be advanced from now onwards. — For orders with reference to paras 1 & 2 above

Mn 5/3

Sec 5/3/13

4) As per Para 1, the decision is to charge ~~the~~ interest at 4% on the money already advanced by Govt. Hence draft G.O.

5/3

5) A draft go is fortnightly as per orders in para 4 above. The date from which the interest has to be charged is for orders.

6) Dft G.O. - for appl

8/3

Mn 8/3 Sec 8/3

Secy (Fy)

7) Relieved 22/3

Sri Hemi. Pl Bring today 25/3/13

Serial No.

8) A revised draft is submitted.

9) For perusal before it is submitted to the Secy & Minister

Mra 2/4
Secy 5/4
2/4

Budget

10) Draft as slightly amended is for approval

Secy 10/4
14/4

11) Secy
Minister 16/4

12) For appl of the G.O. Corrected by the Financial Secy

16/4

Minister for L.S.G. 13) 26/4/54

26/4
26/4

14) Draft for appl

15) Issued
27/4

NOTE—Contn. Sheet.

7703/161

4

File No. | of 195 | Mysore Government Secretariat

Serial No.

11) Signed Copies are put up for financial Commencation

Engr
1/5

17) H. comm. No 590

Ur
3/5
V.o
3/5

18) Cr
3/5/54

19) Secy
4/5

To,

The chairman, Trust Boards,
Mysore & Bangalore.
The A.G.
The Controller, S.A.D } Typ 7 D.

2 11 81 3 of 1-5-54 — Levy interest

Letter No 147/D.H.J. dt 12-5-54 from the A.G. on the subject

20) submitted for perusal with reference to the G.O. dt 1-5-54 levying interest at 4% with effect from 1-6-54 on the balances outstanding against the advances sanctioned to Trust Boards of Bangalore & Mysore | 1 | flg 9.

21) The A.G. requests to be intimated as to the reasons that prompted Govt to charge interest at

7703
1163
1269

Levy of interest on advances sanctioned to Trust Boards.

Mysore Government Secretariat | File No. 5 of 195 . | [App. F. III 2

Serial No.

4% with effect from 1-4-54 instead of at the usual rate of 5% for from the date of drawal. As seen from para 1 of the notes (page 1 of the note sheets) decision was taken to recover interest at 4% for — which this was to be recovered with effect from 1-4-54 which was also agreed to by the Joint Secy

22) The Joint Secretary may be requested to give reasons asked for by the A.G.

— Ref paras 1 & 2 of the notes (page 1)

Ma 25/5

SNR 26/5 23) The reasons are very clear. The Trust Bd has not taken action to charge interest & recover from the allottees / sites. Therefore how can they pay interest for the back period. The financial Secretary is requested kindly to offer their remarks

AS 31/5

AFS (Finance) (Budget) 2/6

24) The A.G. may be informed that the Trust Boards has no resources to meet interest charges with retrospective effect and a lower interest is charged with reference to circumstances of the case namely the ability of the Board to pay

FASy) 3/6

Note.—Contn. Sheet

FINANCIAL SECRETARIAT 1923 3 JUN 1954 BUDGET

(b) Levy of interest on advances

269

File No 2244: Govt. to T. Bds of 195 .1923/57 6

Mysore Government Secretariat

Serial No.

Secy & SG-25)

9/6/54

9 JUN 1954 SECRETARIAT GOVT. OF MYSORE S.G. DEPARTMENT

16) A draft reply is put up,— Vide para 24 above (overleaf)

Issue

15/6 16

24

To,

The A.G.

L 3317 dt 28-6-54

Send the reply.

Reminder dt 23-6-54 from the A.G.

orders have been communicated.

This will be received now.

23/6

11/7 97

WD 04861—GPB—60,000—22-1-54

(1)

1 amount given to the Trust Board from the inception of the Trust Board up to the end of last ~~mx~~ of month yearwar.

Year.	Advances.	Outright grants.
1945-46.		5,00,000—0—0
1946-47.		5,00,000—0—0
1947-48.	40,210-13-0	6,48,917—7—6
1948-49.	9,05,989—7—6	15,45,894—8—0
1949-50.	17,55,752-14—6	10,97,138—3-10
1950-51.	7,71,646-10—3	9,44,144—7—9
1951-52.	19,90,573—0—6	8,96,201—11—9
1952-53.	12,00,000—0—0	4,06,205—3—11
	26,64,172-12—9	65,38,501-10—9
1953-54	11,00,000—0—0.	1,00,000—0—0
Total	37,64,172-12-9	66,38,501-10-9.

2. Amount spent under Advances from the inception of the Board up to the ~~mxxt~~ end of September 1953 year war under the following heads.

Year.	Cost of Acquisition.	Outlay on Works.	T o t a l.
1946-47.		5,361—7—0	5,361—7—0
1947-48	36,755—2—0	50,710—6—0	87,465—8—0
1948-49.	1,48,947—3—0	9,46,398—6—6	10,95,345-9-6
1949-50.	7,88,970—2—5	8,55,015-11-10	16,43,985-14—3
1950-51.	5,38,942—3—7	14,47,174-13—5	19,86,117—1—0
1951-52.	4,65,965—3—3	10,77,696—4—9	15,43,661—8—0
1952-53.	5,23,730-5-10	4,91,726—4—9	10,15,456-10-7
1953-54.	2,02,896-0—3	1,80,760—8—7	3,83,756—8-10
(To end of 9/53) Total.	27,06,306-4—4	50,54,843-14-10	77,61,150—3—2

N. Jahan
Chairman.

MYSORE CITY IMPROVEMENT TRUST BOARD.

Statement showing the advances granted to the Mysore City Improvement Trust Board, Mysore, for improvement schemes as it stood on 28-10-1953.

Sl. No.	Name of the Scheme.	Authority with No. & Date of G.O.	Amount drawn.	Amount refunded to Government. Date.	Amount.	Balance out-standing.	Remarks.
1.	Opening out a Road from Old Elgin Fountain to Dt. Offices, Mysore.	1. L.3473-6/M1. 12-48-7 of 2-11-1945.	1,60,000/-				
		2. L.5036-90/M1. 37-46-2 of 24-10-46.	1,40,000/-	27-8-53	2,00,000		
		3. " Do.	14,200/-	28-10-53	75,000		
		4. L.8304 dated 3-12-46 from Rev.Secy.	23,464/-			1,02,664/-	
		5. L.1437/ITB. 10-5-69 of 5/8-1-1952.	50,000/-				
			3,77,664/-		2,75,000/-		
2.	Construction of model houses for Adikarnatakas in several parts of Mysore City	1. L.8882-7/M1. 41-48-41 dated 5-2-49 and also L.8651/ITB.24.49-41 dated 14-2-50(drawn on 23-3-50):	25,000/-	28-10-53 (a)	25,000/- 60,000/-	1,65,000/-	(a) As outright grant of Rs.60,000/- sanctioned by Govt. towards layout charges incurred by the Board, vide G.O.No.L.8098/ITB.3-52-89 dated 15/19-10-1953.
		2. L.4068/ITB.10-50- dated 13/15-7-50. Drawn on 28-11-50:	25,000/-				
		3. L.7576/ITB.7-51-6 dated 7-12-51 drawn on 7-1-52:	50,000/-				
		4. L.13683/ITB.7-51- dated 27-2-52 (drawn on 24-3-52)	1,00,000/-				
		5. L.17107-3/ITB.6/71-53- drawn on 31-3-53:	50,000/-				
			2,50,000/-		85,000/-		

this is a special scheme. This advance carries interest at 3%

DVS)

P.T.O.

Appendix F.G—1]

(4)

SUBJECT.....

.....

.....

Section 9-1 B.

File No. 31. 84

Serial No. 1

Diary No. of letter replied to.....

Mysore Government Secretariat

(

the *195* .

Date of issue.....

Signed by .....

List of enclosures.....

Copied by.....

Examined by.....

No.

~~To~~

Proceedings of the govt of Mysore

Read:-

order No 1181-3 dt 1-5-54

The city improvement Trust Boards of Mysore and Bangalore were constituted in the years 1904 and 1945 respectively with a view to taking up ~~the~~ schemes of development and improvement relating to the respective cities. The development schemes envisaged by govt necessitates the formation

WD 03545—GPB—40,000—25-6-53

of these separate Improvement Trusts, as the local municipal authorities ~~in each place~~ could not conveniently take up such improvement schemes for execution, as it was beyond their powers and resources. In furtherance of the objects with which the Improvement Trust Boards were created, govt have made ~~grants~~ outright grants and advances to these Boards to the tune of several lakhs of rupees out of the state Budget. The grants given were utilised for such works as were unremunerative in character. But advances were sometimes, free of interest, for the formation of layouts and for other remunerative schemes on the understanding that the Trust Boards repay from out of realisation from the sale of sites etc. The amounts sometimes as advances, to and outstanding against ~~the city~~

Appendix F.G—1]

(6)

SUBJECT.....

(2)

.....

.....

Section

File No.

Serial No.

Diary No. of letter replied to.....

~~No.~~ continued.

~~To~~

Mysore Government Secretariat

( )

the *195* .

the city Improvement Trust Boards of Mysore and Bangalore are noted as hereunder:—

Date of issue.....

Signed by .....

(a) city Improvement Trust Board, Mysore.

Name of the scheme.	Amt given as advance — Rs	Amt refunded — Rs	Amt outstanding Rs
(1) St. Road scheme	3,77,664 —	2,75,000 —	1,02,664.
(2) Formation of Industrial suburb in Mysore south.	1,00,000 —	Nil —	1,00,000
(3) Formation of a layout for shifting Bamboo Bazaar.	1,25,000 —	Nil —	1,25,000.
(4) Improvement works during 1953-54 —	83,600* —	Nil —	83,600

~~List of enclosures~~.....

~~Copied by~~.....

~~Examined by~~.....

* (given over and above the outright grant during 1953-54 = Grants as advance under "R. Loans and Advances to Trust Boards for layout of extensions".

WD 03545—GPB—40,000—25-6-53

(b) city of ~~Bangalore~~ Improvement Trust Board, Bangalore

(Y&R) Year	Advances sanctioned and drawn by the Board for the formation of layouts	Total repaid	Total outstanding
	Rs		
1947-48	40, 210-13-0.	~~78,680~~ = 76,85,692-12-9	
1948-49	9,05,989-7-6.		
1949-50	17,55,752-14-6.		
1950-51	7,71,646-10-3.	= 78,680 = 76,85,692-12-9	
1951-52	19,90,573-0-6.		
1952-53	12,00,000-0-0.		
1953-54	11,00,000-0-0		
Total	77,64,172-12-9.		

The Trust Boards (particularly the Bangalore Trust Board) have not taken timely action to recoup the advances so given with the result that heavy amounts have been locked up. The ~~advances are given~~ are being given ~~from the borrowed fu~~ from the borrowed funds on which ~~they~~ have been providing ~~are paying~~ interest and other debt charges in the State Budget. The present financial position

Appendix F.G—1]

(8)

SUBJECT.....

.....

.....

Section

File No.

Serial No.

Diary No. of letter replied to.....

No. continued.

To—

Mysore Government Secretariat

( )

the 195 .

Date of issue.....

Signed by.....

In the light of the present financial position of the State, I feel making advances from borrowed funds free of interest for the creation of amenities in cities and towns and further loans for water supply Schemes to Town Municipalities also carry interest, no exception need be made at the cost of the State exchequer in respect of the two cities—

there is no justifiable ground to

List of enclosures.....

Copied by.....

Examined by.....

does not admit of the amounts being given as advances being allowed to remain with the Government for years, free of interest, and without corresponding credits that I feel there is no justifiable ground to tax people to pay interest and debt charges on these advances

it is but fair that interest should be charged on the amounts advanced

According to the ~~Trust Boards. They, therefore,~~ directed that in ~~modification~~ modifications of all previous orders interest at 4% be charged for the balances outstanding with effect from 1-4-54. against the advances made to the City Improvement Trust Boards of Bangalore & Mysore.

The Chairmen of the respective T. Boards are requested to make suitable provision in the budget of the Boards for payment of interest every year till the advances outstanding are fully paid. They are also requested to see that strenuous efforts are made to push through the schemes expeditiously so that amount ~~may be~~ spent may be realised quickly from sale of sites & credited to Govt. The interest charges should be distributed over the cost of sites in order that the schemes are worked out on a self-supporting basis.

~~The A.G. is requested to take~~

Appendix F.G—1]

(10)

SUBJECT.....

.....

.....

Section

File No.

Serial No.

Diary No. of letter replied to.....

Mysore Government Secretariat

( )

the *195* .

Date of issue.....

Signed by .....

No.

To

The A.G. is requested to take necessary action ~~to draw~~ for drawing ~~is charged on the~~ interest ~~at~~ on a direct ~~to the two~~ Key two Funds mentioned ~~with effect~~ from 1st April, 1954

27/4

for Regr

7/4

16/4

SAO

AD

The Chairman, C.I.T. Board, Bangalore, Mysore

The A.G.

The Controller, S.A.D. (with 7 D.)

List of enclosures.....

Copied by.....

27/4/54

Examined by.....

WD 03545—GPB—40,000—25-6-53

(11)

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

ORDER NO.L.1181-3/57/B 31-52-1

Dated, Bangalore, the 18th May 1954

The City Improvement Trust Boards of Mysore and Bangalore were constituted in the years 1904 and 1945 respectively with a view to taking up schemes of development and improvement relating to the respective cities. The development schemes envisaged by Government necessitated the formation of these separate Improvement Trusts, as the local municipal authorities could not conveniently take up such improvement schemes for execution, as it was beyond their powers and resources. In furtherence of the objects with which the Improvement Trust Boards were created, Government have made outright grants and advances to these Boards to the tune of several lakhs of rupees out of the State Budget.

The grants given were utilised for such works as were unremunerative in character. But advances are sanctioned, free of interest, for the formation of layouts and for other remunerative schemes on the understanding that the Trust Boards repay from out of realisation from the sale of sites etc., The amounts sanctioned as advances to and outstanding against the City Improvement Trust Boards of Mysore and Bangalore are noted hereunder:-

(a) City Improvement Trust Board, Mysore

Name of the Scheme	Amount given as advance	Amount refunded	Amount outstanding
	Rs	Rs	Rs
1) Straight Road Scheme	3,77,664	2,75,000	1,02,664
2) Formation of Industrial suburb in Mysore South	1,00,000	NIL	1,00,000
3) Formation of a lay out for shifting Bamboo Bazaar	1,25,000	NIL	1,25,000
4) Improvement works during 1953-54	83,600*	NIL	83,600

(*given over and above the outright grant during 1953-54 drawn as advance under "R.Loans and Advances to the Trust Boards for layout of extensions.")

(12)

(b) City Improvement Trust Board, Bangalore:-

Year	Advances sanctioned and drawn by the Board for the formation of layouts.	Amount repaid	Amount outstanding
1947 - 48	40,210-13- 6		
1948- 49	9,05,989- 7- 6		
1949 - 50	17,55,752-14- 6		
1950- 51	7,71,646-10- 3		
1951 - 52	19,90,573- 0- 6		
1952 - 53	12,00,000- 0- 0	78,680- 0- 0	76,85,492-12- 9
1953 - 54	11,00,000- 0- 0		
Total	77,64,172-12- 9		

The Trust Boards (Particularly the Bangalore Trust Board) have not taken timely action to re-imburse the advances so given with the result that heavy amounts have been locked up. The advances are being given from the borrowed funds on which Government have been providing interest and other debt charges in the State Budget. In the light of the present position of the State, Government feel that there is no justification for making advances from borrowed funds, free of interest for the creation of amenities in cities and that further since loans for water supply schemes of Town Municipalities also carry interest, no exception need be made at the cost of the State exchequer in respect of advances required by the Trust Boards of the two cities. Accordingly it is directed that in modification of all previous orders interest at 4% be charged with effect from 1st April 1954 on the balances outstanding against the advances made to the City Improvement Trust Boards of Bangalore and Mysore.

The Chairman of the respective Trust Boards are requested to make suitable provision in the budget of the Boards for the payment of interest every year till the advances outstanding are fully paid. They are also requested to see that strenuous efforts are made to push through the schemes expeditiously so that amount spent may be realised quickly from sale of sites and credited to Government. The interest charged should be distributed over the cost of sites in order that the schemes are worked out on a self-supporting basis.

(13)

The Accountant General is requested to take necessary action for recovery of interest on advances to the two City Improvement Trust Boards with effect from 1st April 1954.

(V.Hanumanthappa)
For Secretary to Government,
L.S.G. & Planning Departments.

To

The Chairman, City Improvement Trust Boards of Mysore and Bangalore.

Accountant General, Mysore, Bangalore thro' Financial Department

Controller, State Accounts Department - do -

KNR-10/27.4.54

OFFICE OF THE ACCOUNTANT GENERAL
MYSORE.

No. 147/DHT Bangalore, dated 12th May, 1954.

From

The Accountant-General, Mysore,
Bangalore.

To

I.B. 31. 34-2

The Secretary to the Government of Mysore,
L. S. G. and Planning,
Bangalore.

Sir,

Sub: G. O. No.L 1181-3 ITB 31-54-1 dated 1-5-1954 directing the levy of interest at 4% on advances to City Improvement Trust Boards, Bangalore, and Mysore.

I write to state that Government in their order cited above have directed that interest at 4% per annum should be charged on the balances outstanding against the advances made to the Trust Boards of Bangalore and Mysore only from 1-4-1954.

It is requested that the special reasons of charging interest from 1-4-1954 instead of from the date of drawal of advances and charging interest at 4% p.a. instead of at the usual rate of 5% p.a.may kindly be intimated for the information of audit. The matter may be treated as urgent.

Yours faithfully,

A. Kandaswami

(A. Kandaswami)
Assistant Accounts Officer.

Copy forwarded to the Secretary to Government, Finance Department with reference to financial communication No.590 dated 3-5-1954.

GENERAL & REVENUE SECRETARIAT
567
18 MAY 1954
FINANCIAL BRANCH BANGALORE

1269
22 MAY 1954

OFFICE OF THE ACCOUNTANT GENERAL
MYSORE, BANGALORE

No. 147 / [illegible] 18 Bangalore, dated 12th May, 1954.

15 MAY 1954
1148

From

The Accountant-General, Mysore,
Bangalore.

GOVT OF MYSORE
To
13 MAY 1954
FINANCIAL SECRETARY

The Secretary to the Government of Mysore,
L. S. G. and Planning,
Bangalore.

Sir,

Sub: G. O. No.L 1181-3 ITB 31-54-1 dated 1-5-1954 directing the levy of interest at 4% on advances to City Improvement Trust Boards, Bangalore, and Mysore.

I write to state that Government in their order cited above have directed that interest at 4% per annum should be charged on the balances outstanding against the advances made to the Trust Boards of Bangalore and Mysore only from 1-4-1954.

It is requested that the special reasons of charging interest from 1-4-1954 instead of from the date of drawal of advances and charging interest at 4% p.a. instead of at the usual rate of 5% p.a. may kindly be intimated for the information of audit. The matter may be treated as urgent.

Yours faithfully,

Sd. (A. Kandaswami)

(A. Kandaswami)
Assistant Accounts Officer.

Copy forwarded to the Secretary to Government, Finance Department with reference to financial communication No.590 dated 3-5-1954.

A. Kandaswami
for Assistant Accounts Officer.

1 MAY

Appendix F.G—1]

(16)

SUBJECT Levy of interest at 4% on advances to the city Improvement Trust Boards of Mysore & Bangalore

Section GFB.
File No. 31. 54
Serial No. 3

Diary No. of letter replied to.....

No. L 3317
To 28-6-54
The A.G.

Mysore Government Secretariat

( )

the 195 .

Sir,

Date of issue.....

In reply to your letter No. 147/DH.54-8-12-5-1954 on the above subject, I am directed to state that the T. Boards have no resources to meet interest charges with retrospective effect and interest at a ~~lower~~ lower rate is charged with reference to the circumstances of the case namely the ability

Signed by.....

List of enclosures.....

Copied by.....

Examined by.....

28/6

(7)

yf. the Trust Bonds today

yrofits

Asst Secy.

KS 24/6/65